



SHIP PURCHASE ASSISTANCE PROGRAM

The City of Deltona's Purchase Assistance, with Rehabilitation if applicable, is to assist eligible homebuyers with a needs based deferred payment loan to be applied as gap-financing towards down payment, closing costs, interest rate buy-down, and/or principal reduction and rehabilitation, if applicable, for the purchase of eligible housing. Eligible housing types under this strategy include existing and newly constructed homes; mobile homes are not eligible. The program is funded through federal and state grants and implemented by the Community Development Department.

Limitations on home purchase:

- Home location: The home must be located in Deltona.
- Purchase price: The maximum purchase price is \$138,000 for households with income that do not exceed 80% of **Area Median Income (AMI)**. The maximum purchase price for households with income between 81% and 120% AMI is \$225,000.

Eligibility requirements:

- Applicants must not have owned a home within the last (3) three years, filed for bankruptcy in the last 2 years or defaulted on a mortgage within the last (7) seven years preceding the application for SHIP Purchase Assistance.
- Total household annual gross income must not exceed the annual amounts, as determined by HUD and FHFC. Below are the limits for the 2016 AMI:

Household Size	Very Low	Low	Moderate
1	\$18,300	\$29,250	\$43,920
2	\$20,900	\$33,400	\$50,160
3	\$23,500	\$37,600	\$56,400
4	\$26,100	\$41,750	\$62,640
5	\$28,200	\$45,100	\$67,680
6	\$30,300	\$48,450	\$72,720

- Applicants must secure a first mortgage in the maximum amount for which they can afford with a fixed interest rate and no pre-payment penalty.
- Applicants must contribute a minimum dollar amount towards the down payment of the home according to the household income:

Very Low	Low	Moderate
\$1,000	\$1,500	\$2,000

Additional funds may be required at closing.

- Applicants must attend and complete a Homebuyer Education Counseling course provided by or approved by the City.



- Applicants who qualify for SHIP Purchase Assistance must contractually agree to all SHIP Program guidelines and the City of Deltona requirements, recapture provisions, and certify that the unit assisted will be their principal residence.

The maximum down payment, closing cost and rehabilitation assistance:

Income Limit Level	Max Purchase Assistance	Closing Costs Assistance	Max Rehab Assistance, <u>After Closing</u>
Very Low	20% of purchase price, not to exceed <u>\$20,000</u>	\$3,000	\$10,000
Low	15% of purchase price, not to exceed <u>\$15,000</u>	\$3,000	\$10,000
Moderate	10% of purchase price, not to exceed <u>\$10,000</u>	\$3,000	\$10,000

Funds are limited for households whose income is between 81% and 120% AMI

Purchase Assistance Loan features:

- The maximum Purchase Assistance will be provided in the form of a second mortgage with a zero (0%) interest deferred payment, forgivable loan.
- The loan term is thirty (30) years. At the end of thirty (30) years, the loan is forgiven.
- If a default occurs during the thirty (30) year loan term, the entire balance of the loan becomes due and payable.

Rehabilitation Loan Features:

- Repairs to the home, if applicable, will not begin until after the closing.
- Repairs will not begin until (3) three months after closing and can take up to an additional (6) six months to complete.
- Repairs to the home are to correct, code, safety and health hazards to the primary structural system such as the roof, heat/air, septic or windows, and exterior doors, only.
- Funds will be provided as a 3rd mortgage to the City at zero (0%) interest, deferred payment, forgivable loan for five (5) years.
- If a default occurs during the five (5) year loan term, the entire balance of the loan becomes due and payable.

Lender Participation Guidelines:

- Institutional first mortgage lender with no private owner financing.
- First mortgages shall be at a fixed rate. The rate may not exceed two (2) points above the current 60-day Fannie Mae par pricing.
- The term of the loan shall be for 30 years;
- Loan origination and broker fees as combined, may not exceed 2% of the sales price.
- The purchase price may not exceed the sales price of the home.
- There is no pre-payment penalty.
- There is "No Cash Back" to the borrower on the HUD-1 Settlement

Statement:

- Funds will be encumbered for eligible applicants whose contracted homes are deemed repairable according to program guidelines.
- For more information review the Purchase Assistance Manual available on online in the Housing and Community Development website under Purchase Assistance.